

This Section for DOGM Use:
Assigned DOGM File No.: S 0230096
DOGM Lead: Tom Munson
Permit Fee \$ 150⁰⁰ Ck # 245

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

Task ID# 1804

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Quarry
2. Legal name of entity (or individual) for whom the permit is being requested: Cox Transport, Inc., Brent C. Cox
Mailing Address: 50 East 100 North
City, State, Zip: Manti, Utah 84642
Phone: 435-851-9088 Fax: 435-835-5101
E-mail Address: Coxtrans@manti.com

Type of Business: Corporation ☒ LLC ☐ Sole Proprietorship (dba) ☐
Partnership ☐ General ☐ or ☐ limited

Or:

Individual ☒

Request Agent: BRENT C. COX

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # Cox Transport, Inc. 59424450142

If no, contact www.commerce.utah.gov to renew or apply.

Local Business License # _____ (if required)

Issued by: County _____ or City _____

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3. **Contact Person(s)**

Name: Brent C. Cox Title: President
Address: 490 North 200 West
City, State, Zip: Manti, UT 84642
Phone: 435-835-5101 Fax: 435-835-5101
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: coxtrans@manti.com

Contact person to be notified for: permitting (X) surety (X) Notices (X) (please check all that apply)

Name: same as above Title: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

Contact person to be notified for: permitting () surety () Notices () (please check all that apply)

Registered Utah Agent (as identified with the Utah Department of Commerce) (if individual leave blank):

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

4. **If Business is a: Sole Proprietor:**

Sole Proprietor:

Name of Owner: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Corporation:

Name of Officers: Brent C. Cox Title: President

Title: _____
Title: _____
Title: _____

Headquarters Address: 50 E 100 N
City, State, Zip: Manti, Utah
Headquarters Phone: _____ Fax: _____
E-mail Address: coxtrans@manti.com

If Business is a Limited Liability Company: Member Managed ☐ Manager Managed ☐

Name of 1st Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

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Name of 2nd Member/Manager: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Name of Partner: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. Ownership of Land Surface:

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

6. Ownership of Minerals:

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name Jerry Mansfield Address BLM Office, Fillmore, UT

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

BLM Claim Numbers 00247893 Juab County File #

Utah State Lease Number(s): _____

Name of Lessee(s) _____

7. Have the above surface and mineral owners been notified in writing?

Yes yes No _____

If no, why not? _____

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Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

8. Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No _____

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): _____

____ 1/4, of ____ 1/4, of SW 1/4: Section: 31 Township: 15S Range: 1E
____ 1/4, of ____ 1/4, of ____ 1/4: Section: _____ Township: _____ Range: _____
____ 1/4, of ____ 1/4, of ____ 1/4: Section: _____ Township: _____ Range: _____

UTM East _____ (if known) UTM North _____ (if known)

Name of Quad Map for Location: _____

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, a scale, appropriate labels, title box including the mine name, township, range and section.
- a. **Map 1:** The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
 - b. **Map 2:** The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
 - i. The area to be disturbed;
 - ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
 - iii. Any adjacent previous disturbance for which the operator is not responsible.
- (Contact the Division for a list of consultants and land surveyors for mapping assistance.)

3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced (<50 feet) so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106) Phase #1

1. **Type of mining:** Surface ☒ Underground ☐
2. **Mineral(s) to be mined:** Gypsum
3. **Amount of material to be extracted, moved or proposed to be moved:** _____
92,000 ton of existing piles

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4. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?
Yes ☒ No ☐ If yes, please describe (add extra pages if needed) _____
Diesel to fuel equipment.
5. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). _____
Hauling off existing pile of gypsum. Later on in operation will include loading, hauling, crushing of gypsum for market.
6. ☐ New Road(s): Length _____ (ft) Width _____ (ft)
7. ☒ Improved Road(s): Provide a description of the improvements that need to be made to existing roads to access the site, including the Length 800 (ft) and Width 20 (ft) of improvements.
8. Total project surface acreage to be disturbed: 2 (acres) PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).
9. Proposed startup date of project (month, year) ASAP 1 May 2007
10. Proposed completion date of project, if known (month, year) Phase 1 Nov 2012 Phase 2 Nov. 2

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.

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10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see **IV. Operation and Reclamation Practices** Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

1st Variance Requested

Item # _____ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)) _____
 Justification: _____
 Alternate methods or measure to be utilized: _____

2nd Variance Requested

Item # _____ Applicable Rule # _____
 Justification: _____
 Alternate methods or measure to be utilized: _____

3rd Variance Requested

Item # _____ Applicable Rule # _____
 Justification: _____
 Alternate methods or measure to be utilized: _____

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Attach additional page if more variances are requested.

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VI. SURETY (Act 40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations.

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The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed.

The surety amount is based on the nature, extent and duration of operations. *The surety amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.*

Surety for small mines sites will be escalated three (3) years to the future. Contact the Division for dollar amount required for this project.

Reclamation surety must be provided in the form of a Certificate of Deposit, Letter of Credit, Surety Bond, Cash (certified funds), or other form approved by the Division.

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

- ☒ I have enclosed the required permit fee.
- ☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. **This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.**

Signature: _____

Brent C. Cox

Date: _____

23 April 07

Name (typed or printed): Brent C. Cox

Title/Position (if applicable): President

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COX TRANSPORT

N

LEVAN

ROUTE 28 TO

LOCATION OF PIPE

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T15S/R1E

CONTOUR INTERVAL 40 FEET
DATUM IS MEAN SEA LEVEL

SCALE 1:24 000

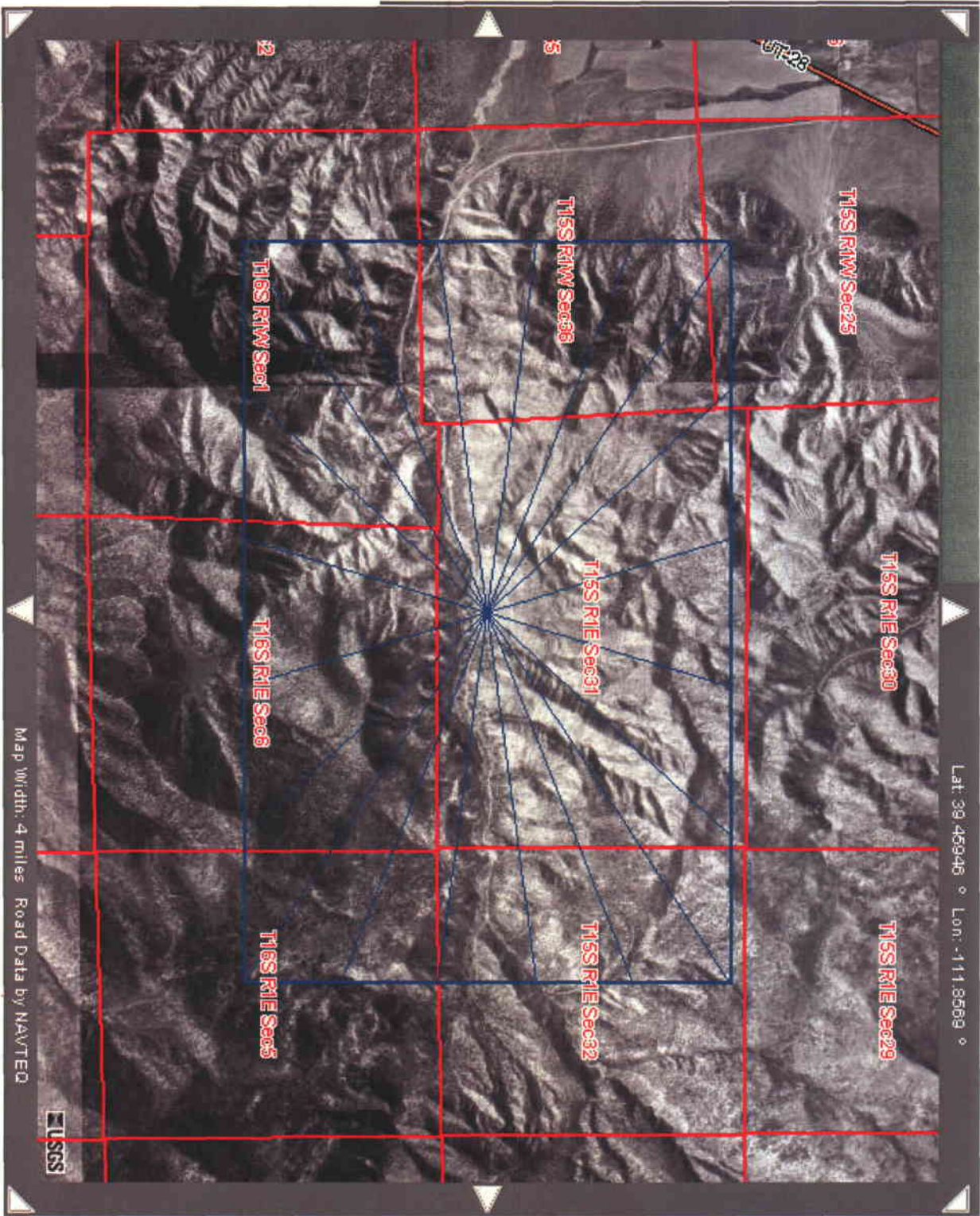
1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 KILOMETER

MN

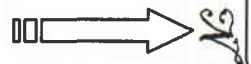
16°
284 MILS



Township 15S Range 1E Section 31

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Cox Transport 01/08/2008

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Township 15S Range 1E Section 31

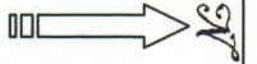
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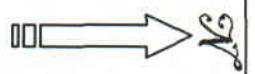
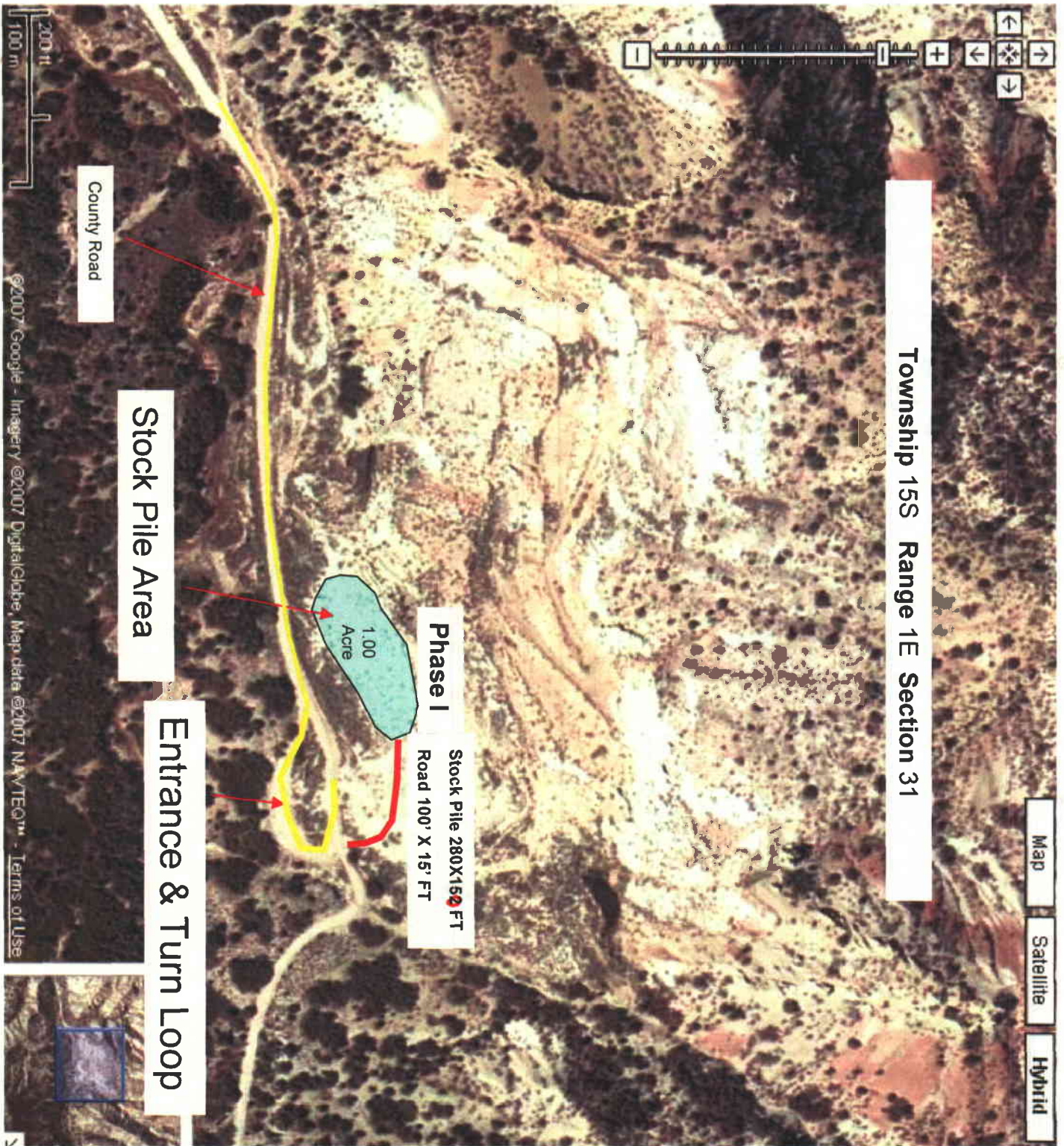
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Approximate
Location



Cox Transport 01/30/2008

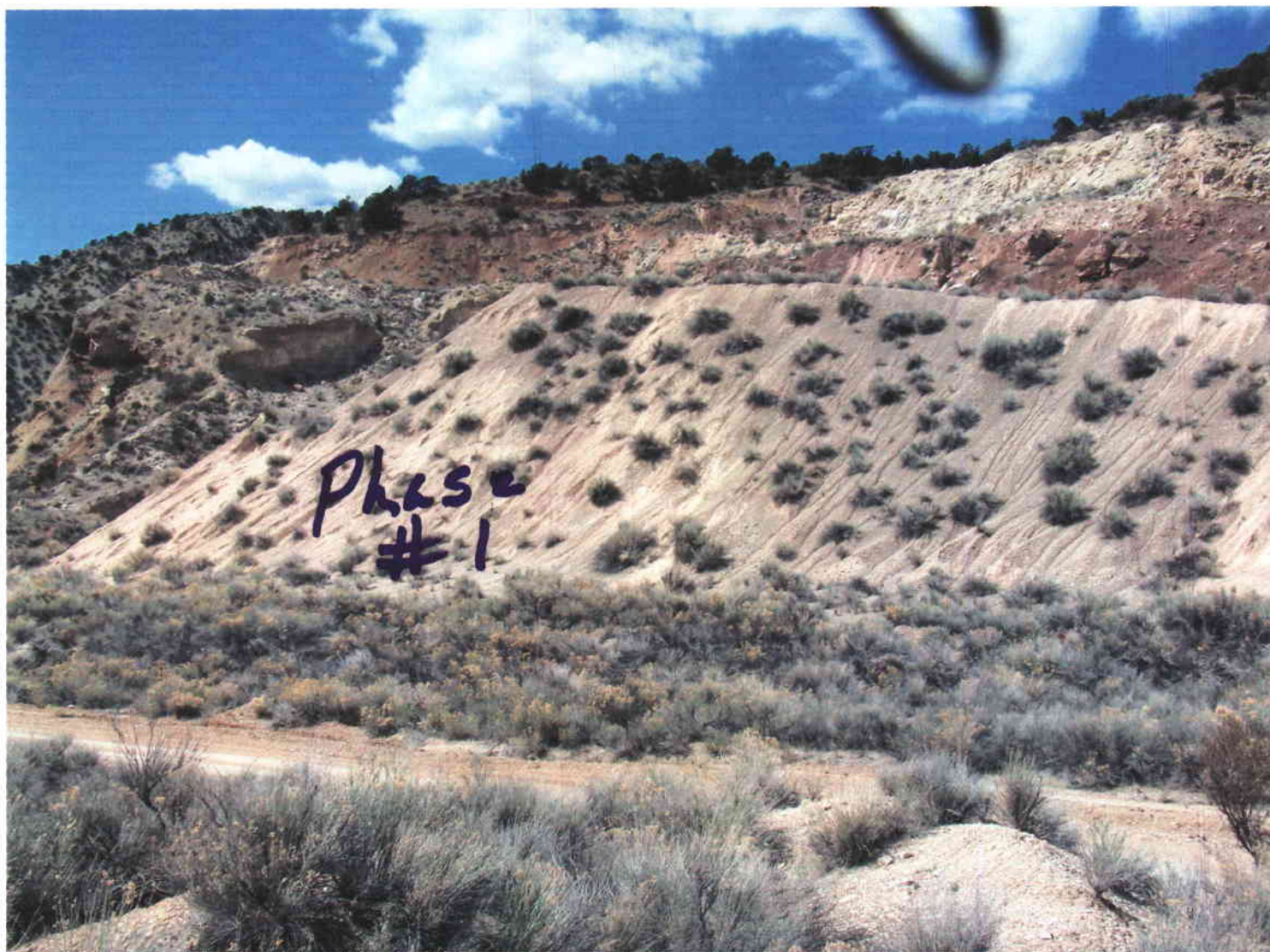


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Cox Transport 01/30/2008



Phase
#1

P # 1

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DIV. 1



East End of Palo

Phase #1

P. #2

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West End of Pile

P. #3

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Phase #1

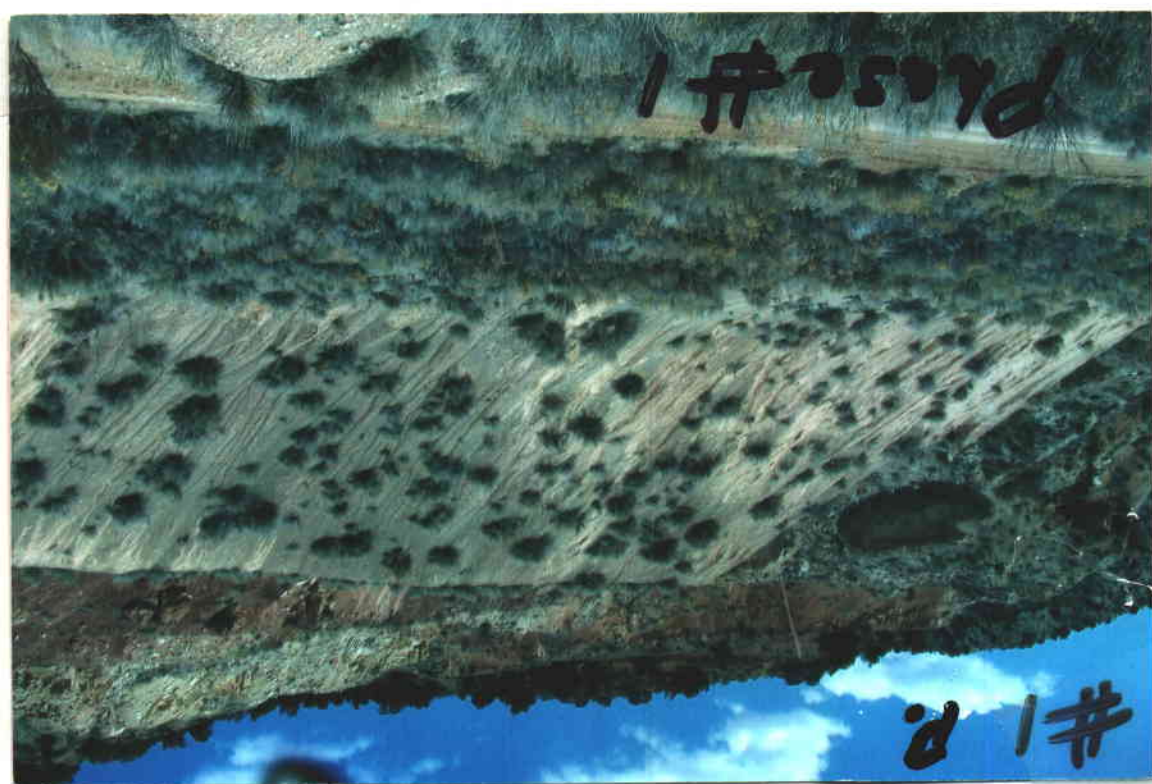
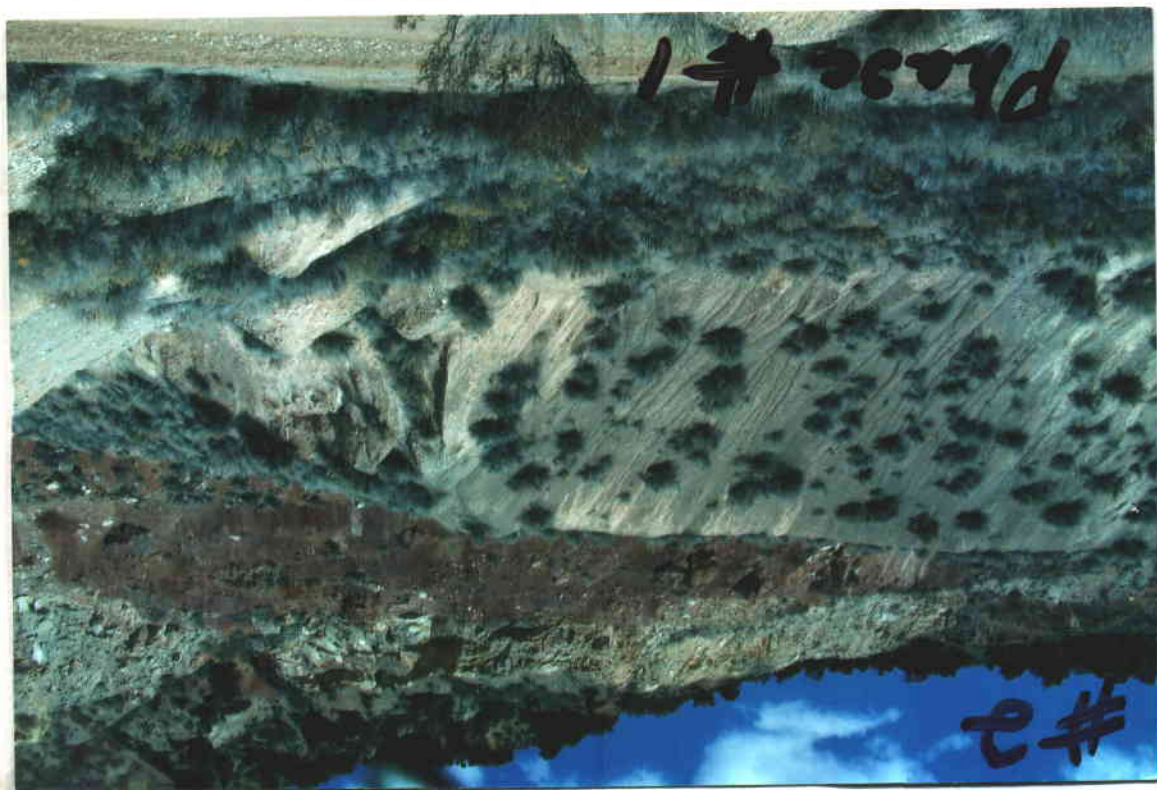
Operating Plan

I request permission to go into the quarry also referred to as the Cox Quarry. My dad mined the quarry in the 1960's and mid 1970's. He left a pile of gypsum there. I would like it removed. Refer to pictures #1 through #3. It is located in the SW ¼ Sec 31 T 155 R 1 E in Salt Creek Canyon in Juab County. The pile is ²⁸⁸300 feet in length and ¹³²200 wide. It would take about one year from starting time to haul it off. The pile would be hauled down the county road from the quarry to Highway 28. I would need one loader to load the trucks. There would be four trucks to haul off the pile. A gate would be installed in the entrance to secure the quarry. The contour of the ground around the perimeter of the quarry is steep and would help keep out unwanted visitors. No building is needed. No underground. No power or pipelines or services in the quarry.

Close contact with the Fillmore Office of the BLM is a must and I would contact the person so named. Jerry Mansfield would be contacted for any requests or problems and/or extended closures.

If there are any other questions or concerns on this matter, please call me at:

435-851-9088





Phase #1

Operating Plan

I request permission to go into the quarry also referred to as the Cox Quarry. My dad mined the quarry in the 1960's and mid 1970's. He left a pile of gypsum there. I would like it removed. Refer to pictures #1 through #3. It is located in the SW ¼ Sec 31 T 155 R 1 E in Salt Creek Canyon in Juab County. The pile is ³⁰⁰ feet in length and ¹⁵⁰ wide. It would take about one year from starting time to haul it off. The pile would be hauled down the county road from the quarry to Highway 28. I would need one loader to load the trucks. There would be four trucks to haul off the pile. A gate would be installed in the entrance to secure the quarry. The contour of the ground around the perimeter of the quarry is steep and would help keep out unwanted visitors. No building is needed. No underground. No power or pipelines or services in the quarry.

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If there are any other questions or concerns on this matter, please call me at:

435-851-9088

435-835-5101

FAX: 435-835-5101

Email: coxtrans@manti.com

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FAR WEST BANK

A Division of AmericanWest Bank, Spokane, WA

Date: 12-03-2007

TO:

State of Utah, Division of Oil, Gas and Mining
1594 West North Temple
Salt Lake City, Utah 84112

AND

Bureau of Land Management (BLM)
UTAH STATE OFFICE
440 West 200 South Suite 500
Salt Lake City, Utah 84101

Attention: Mr. Jed Pearson, Minerals Surety Coordinator, 801-538-5382

Bank name: Far West Bank, Bank address: 210 S State
Contact name: Cassandra Chambers, Title: Personal Banker
Phone: 435-462-2457 Email: cassyc@farwestbank.com

Subject: Reclamation Surety, Certificate of Deposit for Cox Transport Inc.'s
Quarry Mine Site, S/023/096, Juab County, Utah, BLM Serial Number
UMC390705

Certificate of Deposit no. 5500000174, Principal Amount \$5900.00

This letter describes the mutually agreed upon instructions of the below signed parties to Far West Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Quarry Mine Site ("Mine Site"), Juab County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$5900.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the Bureau of Land Management (BLM).

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Mt. Pleasant Financial Center 210 S. State Street Mt. Pleasant, UT 84647 (435) 462-2457 (435) 462-3166 fax

upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Cox Transportation a Corporation but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and the BLM (agency) and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of the aforesaid CD to the Division and the BLM and agrees to record the information in the bank's written and electronic records of book entry. Further, the bank acknowledges and agrees that it shall hold the moneys represented by the CD's as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by Cox Transportation, Inc for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

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Release:

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.


Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$5900.00 all tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

John R. Baza, Director
Utah Division of Oil, Gas & Mining


Brent C Cox President
Cox Transport Inc
Tax ID Number: 20-3087533

Date: _____

Date: 4 Dec 07

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David Ames

Date: 12/4/07

David Ames
Financial Center Manager
Far West Bank